

ORDINANCE NO. 023-78

AN ORDINANCE AUTHORIZING AN AMENDMENT TO A SUBLEASE BETWEEN STERLING RACINE, LLC AND SHIPBOB, INC. FOR PROPERTY LOCATED AT 120 NORTH RACINE AVENUE, CHICAGO, ILLINOIS

WHEREAS, The Chicago Transit Authority (“Authority”) owns the building located at 120 North Racine Avenue, Chicago, Illinois (“Building”); and

WHEREAS, The Building contains 84,879 square feet of office space on its first and second floors that the Authority does not use and is currently leased to Sterling Racine, LLC (“Sterling”); and

WHEREAS, The Authority’s lease with Sterling requires Sterling to obtain the Authority’s consent to any sublease by Sterling of a portion of its space, and the Authority may not unreasonably withhold such consent; and

WHEREAS, The Authority, pursuant to Transit Board Ordinance No. 018-12, approved a sublease of approximately 20,272 square feet of space on the first floor of the Building to Shipbob, Inc. (“Shipbob”), a Delaware limited liability company, for a term of two (2) years; and

WHEREAS, In October 2018, Sterling and Shipbob amended the sublease to add 9,984 square feet, but in January 2019 they entered into a second amendment to terminate the first amendment, so the original sublease remained in effect; and

WHEREAS, On November 20, 2019, Sterling amended the sublease to extend the term through January 31, 2021; and

WHEREAS, On December 20, 2020, Sterling amended the sublease with Shipbob by reducing the subleased space to 11,775 square feet and by extending the term through January 31, 2022; and

WHEREAS, On January 12, 2022, Sterling amended the sublease with Shipbob by extending the term for an additional 18 months from February 1, 2022 through July 31, 2023; and

WHEREAS, Sterling now seeks to extend the current agreement for an additional 12 months; and

WHEREAS, Sterling will continue to be responsible for all rent and expenses as set forth in its lease with the Authority, including Sterling’s proportionate share of Building operating expenses and all applicable taxes and utility fees; and

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WHEREAS, Shipbob will be required, along with Sterling, to comply with all Building rules and regulations; and

WHEREAS, All provisions of the lease between the Authority and Sterling, including but not limited to the indemnification and termination provisions, will remain in effect; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is hereby authorized to execute the Master Landlord consent to amend the Sublease Agreement between Sterling Racine, LLC and Shipbob, Inc. for space in the Authority's building located at 120 North Racine Avenue, Chicago, Illinois to extend the term by twelve (12) months through July 31, 2024, and the amended sublease contains such other terms as are substantially in conformance with the Sixth Amendment to Sublease Agreement attached as Exhibit A hereto.

SECTION 2. The Chairman, or his designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

Chairman

July 12, 2023

PASSED:

Secretary

July 12, 2023